



NAFTA TRANSITIONAL ADJUSTMENT ASSISTANCE PROGRAM

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MICHIGAN JOBS TEAM WORKFORCE DEVELOPMENT

Employees who lose jobs may be covered by one of several programs that target dislocated workers. These programs are frequently tied to the cause of the dislocation, such as the nation's trade policies. A new specialized program is designed to help workers who become dislocated as a result of increased trade with Mexico or Canada after January 1, 1994, when the North American Free Trade Agreement (NAFTA) took effect. This program has an eligibility "reach-back" date of December 8, 1993.

The North American Free Trade Agreement Implementation Act (P.L. 103-182) establishes a Transitional Adjustment Assistance program for workers in companies affected by imports from Mexico or Canada or by shifts of U.S. production to those countries. This program combines aspects of two laws that have been in effect for many years: the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA) and the Trade Act of 1974, as amended, Trade Adjustment Assistance (TAA) programs. By drawing on these models, the new program provides affected workers with both rapid and early response to the threat of unemployment and the opportunity to engage in long-term training while receiving income support.

ELIGIBILITY

The NAFTA Transitional Adjustment Assistance program covers workers, including workers in any agricultural firm or subdivision of an agricultural firm, who are laid off or who are forced to work part-time as a *direct* result of increased imports from Mexico or Canada or of a shift of U.S. production to those countries. It also covers those who are threatened with job loss or reduced work hours for those reasons.

Thus, if a manufacturer's production has declined in direct response to imports from Mexico or Canada, workers at that company may be eligible for assistance.

An even clearer case involves workers who lose their jobs when a plant in the United States closes and the production is transferred to Mexico or Canada.

The program also covers workers in companies that are *indirectly* affected by trade with Mexico or Canada. For instance, if workers lose their jobs at a company that supplies materials to a company directly affected by trade, or at a company that assembles or finishes components produced by a company directly affected by trade, these workers also may be eligible for assistance.

Finally, the NAFTA Transitional Adjustment Assistance program has a provision for family farmers and farm workers who are adversely affected by NAFTA but who do not qualify for unemployment compensation. Such workers are eligible for retraining and adjustment services and for income support if they worked at least eight weeks during the previous year.

FEDERAL-STATE PARTNERSHIP

Responsibility for investigating whether a worker layoff is related to NAFTA is shared by the governor of the state where the workers' company is located and the U.S. Department of Labor. When the state receives a petition for assistance, the governor makes a preliminary finding as to whether the petition meets certain eligibility criteria. The Secretary of Labor then makes a final determination of eligibility.

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When a determination by the Secretary of Labor states that a petition does **not** meet the eligibility requirements under this program, the petition is immediately reviewed under the Trade Adjustment Assistance program to determine if coverage is available.

SERVICES PROVIDED

The NAFTA Transitional Adjustment Assistance program emphasizes a comprehensive, timely array of retraining and re-employment services tailored to meet workers' individual needs. Major activities and services include:

- **Rapid Response and Basic Readjustment Services.** When the Dislocated Worker Unit in a state is alerted to the possibility of a layoff or plant closing, it responds quickly with on-site services. These services include letting workers know they may be eligible for Dislocated Worker program services provided through a network of local Michigan Works! Agencies (MWA) offices statewide.

Workers determined eligible for Dislocated Worker services receive an assessment of their individual skills and abilities as well as employment counseling, job placement assistance, and supportive assistance to prepare for job transition.

When the Secretary of Labor certifies eligibility under NAFTA, adversely affected workers go to the nearest MWA office and file an application for a determination of individual eligibility for NAFTA benefits and services. NAFTA eligible workers are provided a broad range of adjustment services, including:

- **Employment Services** such as career counseling, job placement assistance, and support services.
- **Training** for employment in another job or career. Training may be provided at an educational institution or on the job with a new employer.

- **Income support for up to 52 weeks** when the worker is enrolled in training.
- **Job Search Allowances** may be payable for expenses to workers who search for employment beyond their normal commuting area.
- **Relocation Allowances** to pay moving expenses for dislocated workers who have obtained suitable employment in another area.

HOW TO FILE A NAFTA PETITION

Petitions may be filed by a group of three or more workers, their union, or a duly authorized representative, including community-based organizations. A company official also may file a petition. Forms may be obtained from the Michigan Jobs Commission (address listed below) or a local office of the Michigan Works! Agency.

All petitions under NAFTA should be submitted to the Michigan Dislocated Worker Unit:

**Michigan Jobs Commission
Workforce Transition Unit
201 N. Washington Square
Victor Office Center – 4th Floor
Lansing, Michigan 48913**